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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2007 NOV 16 P 3:18

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCUMENT CONTROL

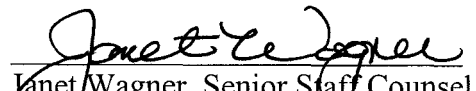
IN THE MATTER OF THE APPLICATION OF
SEMPRA ENERGY SOLUTIONS FOR
APPROVAL OF A CERTIFICATE OF
CONVENIENCE AND NECESSITY FOR
COMPETITIVE RETAIL ELECTRIC SERVICES.

DOCKET NO. E-03964A-06-0168

NOTICE OF FILING

In a Procedural Order issued January 17, 2007 in the above-referenced docket, the parties were directed to participate in an informal proceeding pursuant to A.A.C. R-14-2-212 (C) to arbitrate the resolution of Complainant's service and billing dispute. Attached is the written notification of the arbitrator's decision in this matter.

RESPECTFULLY submitted this 16th day of November, 2007.


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Original and thirteen (13) copies
of the foregoing were filed this
16th day of November, 2007 with:

Docket Control
Arizona Corporation Commission
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Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED
NOV 16 2007

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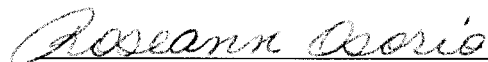
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November 2, 2007

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David J. Don

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AZ CORP COMM
Director Utilities

**Re: Solcito Investments, LLC v. Arizona Public Service Co.
ACC Docket No. E-01345A-06-01 80**

Dear Mr. Don:

This letter serves as the arbitrator's written notification of his decision in Solcito Investments, LLC's (Solcito) complaint against Arizona Public Service Co. (APS). Solcito filed its First Amended Formal Complaint on October 20, 2006. Administrative Law Judge Marc Stern granted Solcito's request for an informal arbitration in accordance with Arizona Administrative Code Rule 14-2-212 by Procedural Order on January 17, 2007.

A Preliminary Arbitration Conference was conducted on June 6, 2007 to discuss procedural and scheduling issues including filing of briefs, the parties desire to conduct discovery, and the establishment of an arbitration date. Solcito opined that discovery should be conducted. APS opined that it should not, as doing so would unduly burden APS in the informal process. It was decided that limited discovery would be conducted so as to ensure the parties' the opportunity to discover documents and facts necessary to the presentation of their cases in arbitration.

Coming to no agreement as to scheduling, the parties were directed to file with the arbitrator a joint proposed schedule for the filing and exchange of witness and exhibit lists, exchange of rebuttal witnesses and exhibits, exchange of a pre-arbitration memoranda, discovery deadlines, and a date for the informal arbitration. The arbitration date was to be no later than September 30, 2007.

APS unilaterally provided its proposed schedule to the arbitrator by letter dated June 26, 2007. APS stated that Solcito failed to respond to APS' efforts to discuss scheduling and provided a letter documenting its efforts to contact Solcito. Solcito did not provide a proposed schedule to the arbitrator.

November 2, 2007

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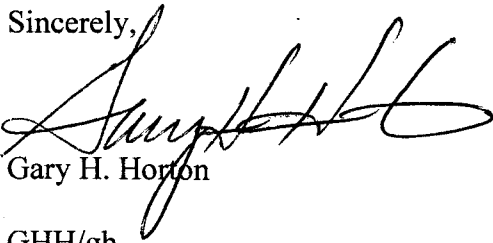
On July 5, 2007, the arbitrator notified the parties by mail of the pre-arbitration schedule and set the arbitration on September 13, 2007 at the offices of the Arizona Corporation Commission. The July 5, 2007 letter further scheduled the parties' exchange and filing with the arbitrator of witnesses and exhibits by July 31, 2007, the exchange and filing with the arbitrator of lists of rebuttal witnesses and exhibits by August 21, 2007, and the exchange and filing with the arbitrator of pre-hearing memoranda by August 31, 2007.

APS provided its list of witnesses and exhibits to Solcito and the arbitrator on or before July 31, 2007. Solcito did not provide a list of witnesses and exhibits to either the arbitrator or APS. APS provided its pre-arbitration memoranda to Solcito and the arbitrator on or before August 31, 2007. Solcito did not provide pre-arbitration memoranda to APS or to the arbitrator. Neither Solcito nor APS conducted discovery.

On September 5, 2007, APS filed its Motion to Vacate Informal Hearing. On September 10, 2007, APS filed its Motion to Continue Informal Hearing. On September 12, 2007, Solcito filed its Joinder in APS' Motion to Continue Informal Hearing. The arbitration was held on September 13, 2007 at 9 am in the Commissioner's Conference Room at the Arizona Corporation Commission in Phoenix. APS appeared and withdrew its Motions to Vacate and Continue the arbitration. Solcito did not appear.

In accordance with A.A.C. R14-2-212, Solcito requested and was granted the opportunity to present its case in informal arbitration. Solcito then did nothing to avail itself of the opportunity given. It is the arbitrator's decision that Solcito's informal complaint against APS is dismissed. It is the arbitrator's decision that the Arizona Corporation Commission has fulfilled its obligations to provide the complainant with the opportunity for informal arbitration of its claims.

Sincerely,



Gary H. Horton

GHH/gh

cc: Wm. Charles Thomson, Esq., APS
Vicki Wallace, Utilities Division, Arizona Corporation Commission